

Prospectus

OF

Warrenton Clay Company

(Incorporated Under Laws of Oregon)
WARRENTON, OREGON

Capital Stock, \$125,000.00
Divided into 1250 Shares of Common Stock
Par Value \$100.00 Per Share
Fully Paid and Non-Assessable

OFFICERS:

President:	George W. Warren,
Vice-President:	George Chew,
Secretary-Treasurer:	E. P. Smiley,
General Manager:	Warren Overpack.

DIRECTORS:

1. George W. Warren,
2. George Chew,
3. E. P. Smiley,
4. Warren Overpack,
5. G. Clifford Barlow.

Pertinent Particulars of Company

INCORPORATION: The Warrenton Clay Company is incorporated under the laws of the State of Oregon. The general offices and manufacturing plant of the Company are located at Warrenton, Clatsop County, Oregon.

CAPITALIZATION: The Company is capitalized at \$125,000.00 consisting of 1250 shares of common stock of the par value of \$100 per share. Each share of stock entitles the holder of record thereof to one vote at any and all stockholders meetings.

DIRECTORS: The directors of the Company are elected by the stockholders and are conservative men of good ability and are well and favorably known because of their success in business. They will direct the business policies and general management of the Company. They are elected at the annual meetings of the stockholders of the Company, as required under the laws of the State of Oregon.

GENERAL MANAGER: The General Manager is elected by the Board of Directors and shall have full charge of the management of the Company under the direction of the Board of Directors. The General Manager is Mr. Warren Overpack, who has had thirty years of practical and successful experience in the manufacture and marketing of clay products.

Mr. Overpack began the manufacture of drain tile in 1884 in Glenwood, Indiana, a small country town off the railroad, six miles northwest of Portland, Indiana. He operated this plant until 1900 and then organized the Portland Drain Tile Company at Portland, Indiana. This plant was built with a view of taking care of the large and increasing demand for drain tile in that state. Mr. Overpack was a director in this company until January, 1915, when he resigned, at which time he sold his interest. This plant has paid practically 5 per cent in dividends per month until the last three years, during which time the management has been putting in all new machinery, and overhauling the plant, using the net earnings for this period to make these improvements. Since the plant was built and up to this time, in addition to the 5 per cent a month paid each year with the exception of the first and last three years, it paid an additional pro rata to the stockholders of 200 per cent in preferred stock drawing 7 per cent interest per annum.

The same company in 1905-1906 built the Lehigh Clay Products Company at Lehigh, Iowa. Mr. Overpack went there and took charge of the property, built the plant and put it in operation. It is operating today and is doing a profitable business, and is one of the many plants that supplies the large tile trade for the state of Iowa.

Mr. Overpack has associated with him good, clean, practical men for the different departments of the Warrenton Clay Company, which insures the success of the plant, and through which class of men he has always been able to get the most efficient results.

BUSINESS: The Warrenton Clay Company will engage in the manufacture of salt-glazed conduits, sewer pipe, hollow block, flue lining, roofing tile, drain tile, fire brick, common brick, well coping, paving brick and other kindred clay products. The opportunity for establishing a business of this character in this field is so great that it should become an unusually profitable enterprise from the very start, as there are no plants of this kind within a radius of over 100 miles from Warrenton. Clay products are now imported here from plants in outside territory as far removed as Spokane and the products that are shipped into this territory are high-priced and the freight charges are high.

PLANT AND EQUIPMENT: The plant of the Company will be erected on a tract of ground of approximately fifteen acres on the Skipanon River at Warrenton, Oregon, with direct rail connections with the Spokane, Portland & Seattle Railroad. The fifteen acre location in Warrenton has been donated to Mr. Overpack by the Warren estate and will be the property of the Company. In addition the Company has a contract for the purchase of approximately 79 acres of clay lands situated on the Lewis & Clarke River at old Fort Clatsop. The river is navigable for the transportation of the clay and the land is readily accessible to the loading docks. The clay can be quickly and cheaply moved from the pit to the plant by water. It is estimated that there is sufficient clay here to provide for the needs of the plant for more than thirty years, it being a proven clay, thoroughly tested, and having the prime qualities for first-class ware.

The plant will be of the latest and most modern type, and is conceded to be, by men well informed in the clay business, one of the most complete clay products plants in the United States, equipped with the most modern machinery and appliances. The capacity of the plant can be doubled with the addition of a very small amount of machinery and increased floor space. There are no plants of such modern design and efficiency in our immediate competitive territory and we believe that we can manufacture better products and more cheaply than any competitor.

POSSIBILITIES FOR EARNINGS AND DIVIDENDS: This plant is located in a virgin field, and is the only clay plant of its kind manufacturing clay products within a transportation radius of over 100 miles, and it will command the business of this district which is growing at a rapid rate. The bulk of the products now imported are high priced and entail a long freight haul. With this plant operating none of these manufacturing plants will be able to enter this territory in competition with the prices this plant can make.

The net profits in the manufacture of clay products average about twenty per cent. These conservative figures are from companies properly managed and operated. Because of our low cost of manufacture and a strong market, we estimate that our stock will be worth double its par value in the reasonably near future. This proportion is not speculative and is a sound manufacturing enterprise in which the Company's assets should steadily increase in value with the growth of the Northwest.

MARKETS: Careful consideration was given in selecting Warrenton, at the mouth of the Columbia River, as the location for this manufacturing plant, because of its relative position to the markets for clay products. Besides good rail facilities and reasonable freight rates, the plant has the advantage of its location on deep water affording transportation in three directions, reaching a large, practically non-competitive territory in which it occupies the most central position. None of the towns and cities in the states of Washington and Oregon have increased more rapidly in population than those located on the navigable rivers and on the bays and harbors of the Pacific Ocean bordering on those states, and practically all of these towns and cities can be reached by cheap rail and water transportation from Warrenton.

The local market at the mouth of the Columbia was a matter for careful consideration in itself. Astoria, Warrenton, and Flavel, all contiguous, are expected to rapidly develop into one large shipping and industrial center. Their combined present population is about 15,000 persons, and altho development work has just started, more money is now being spent there in municipal paving, sewer construction, water works, docks, building and harbor development, than in any other section of the Northwest in proportion to population. Tributary to this locality on both banks of the Columbia are a number of other growing towns; south of Warrenton are others, the principal of one of which is Seaside Oregon, a substantial and growing seaside resort ranging in population from 2,000 to 10,000 in the summer months, and which is progressive in all departments of city building.

To the north of Warrenton on the Washington coast are many towns and cities, busy with industry, shipping and city-building, and which are estimated to have spent more than \$1,000,000 in building operations and city improvements in the past year and which are really just beginning to grow. The largest of these cities are Hoquiam, Aberdeen, Raymond, Montesano, and South Bend, all on water transportation.

To the south of Warrenton on the Oregon coast are many more thriving towns and cities, rapidly building and improving to keep pace with their public necessities. In the past few years these municipalities have spent more than \$3,000,000 in building operations and municipal improvements. The principal cities here are Tillamook, Bandon, Toledo, Gardner, Newport, Coquille, Myrtle Point, Marshfield, and North Bend, practically all of which are connected with Warrenton, by water transportation.

Tributary to many of the above Washington and Oregon cities and towns are fertile farming districts where drainage districts are being organized to better farming conditions. Much of this territory will afford a market for drain tile from the Warrenton plant which will have very little competition in these districts.

The City of Portland, 100 miles inland from Warrenton, can be reached by both rail and water transportation. Portland, with its population estimated at 280,000, affords a very large competitive market for all of our manufactured products. Freight rates have been quoted us to Portland which will enable us to compete there very favorably. Because of the low cost of manufacturing in our modern and efficient plant, and the low cost of transportation, we are enabled to compete in the Portland market on practically the same basis that it would cost any plant in Portland to manufacture the product and lay it down on the job or in the sewer.

We believe that we have enough market on the coast and in the Columbia River towns of 1000 and over to take care of the output of this plant without figuring on outside competition by rail or from smaller plants.

BUILDINGS AND KILNS: The buildings will be the following size when fully completed: Main drier 240 ft. long, 80 ft. wide, and four stories high, the fourth story being a half story. Buildings in addition to this will be a machinery building 40 ft. wide, 50 ft. long, and four stories high, boiler room, clay shed and outbuildings.

The kilns, of which there will be at least twelve when the plant is fully completed, will be 33 feet in diameter and constructed on the best known plans for efficiency and output of burned ware, and at the lowest cost per ton of burned ware. It is estimated that they will save the company about 15 per cent in efficiency and 12 1-2 per cent in fuel per ton of burned ware over the best kilns now in use. By constructing the plant and kilns ourselves, for which we make all our own drawings, and by mak-

ing all of our own brick and fire brick, a large amount of money will be saved to the stockholders.

The buildings are all of substantial construction and each improvement has been planned with a view of permanency and economical operation. When finished, it will be the most complete clay product plant in the country having the most modern machinery and equipment.

FUEL AND POWER: One of the main considerations in the manufacture of clay products is fuel and power. The location at Warrenton is advantageous from both standpoints. Satisfactory rates on electric power have been quoted. One steam boiler will be installed for the present heating of the plant, live steam being used for power purposes and the exhaust steam for heating.

California fuel oil will be used for fuel purposes because of economy in cost, efficiency in burning, and the saving in handling as against coal or wood. The oil will require about 15 per cent less kiln capacity because the heat can be raised more quickly and the kilns turned faster. Eliminating the doubly expensive cost of handling, coal is much more expensive than fuel oil and gives less efficiency in heat units on a comparative basis.

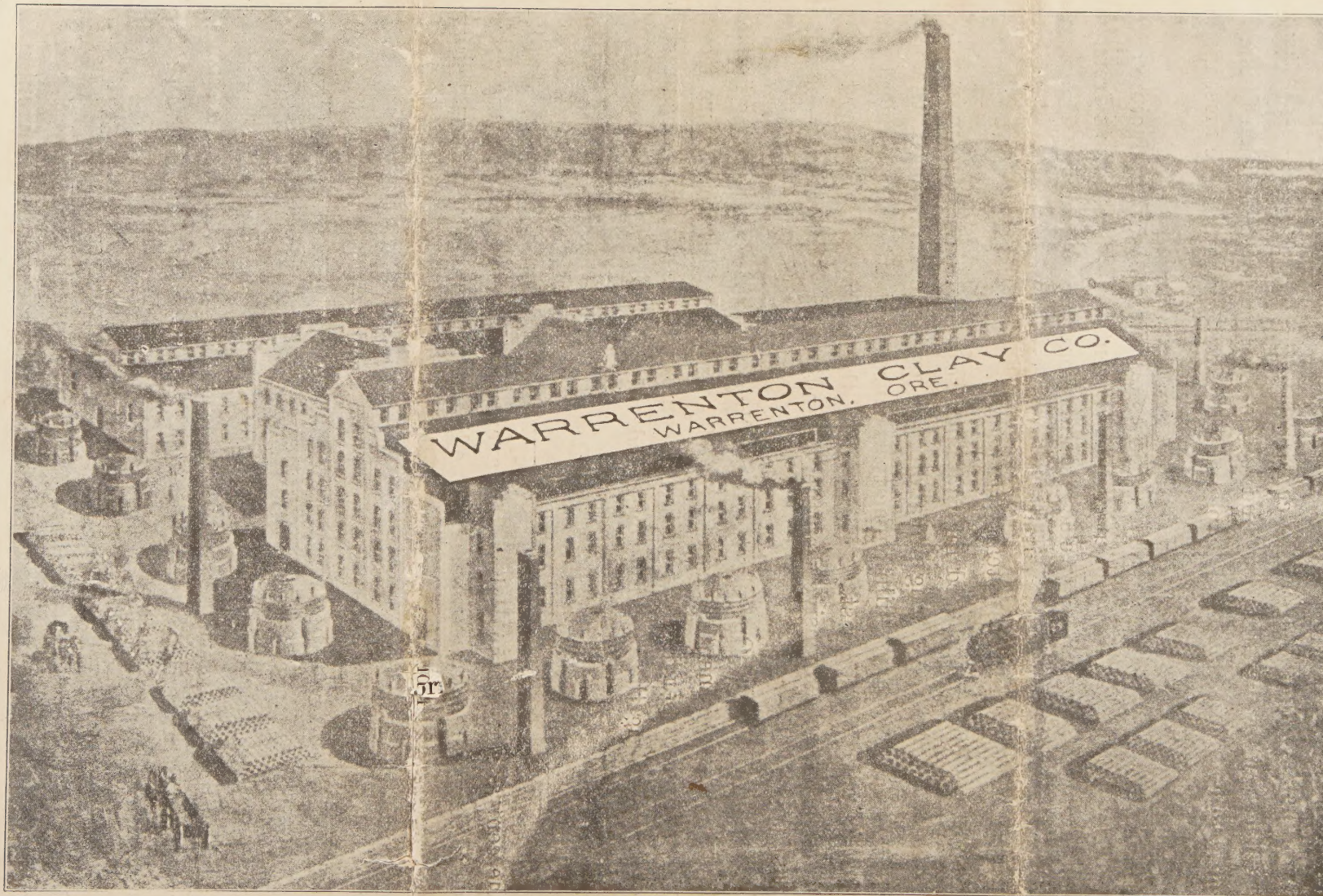
PLANT CAPACITY: Our plant, when fully completed and operating ten hours per day, will give employment to from 75 to 100 men and will manufacture from 80 to 100 tons of product per day. If business demands it, the output can be practically doubled by doubling the working force and working night and day.

GENERAL.

In the central Mississippi Valley, the average cost per ton of manufactured ware, such as sewer pipe, drain pipe, and flue lining, is about \$8.00 per ton delivered, and the average selling price per ton is about \$10.00, giving a profit of \$2.00 per ton. In the Northwest the average cost of manufacture, in the existing plants, ranges about \$8.00 and the selling price averages much higher. Mr. Overpack estimates the cost of manufacture in the Warrenton plant below the average Northwest cost, which, based on the average Northwest selling price, would give a satisfactory profit.

These figures are conservative and are based upon years of practical experience in the manufacture of clay products. The general manager is fully satisfied that with our modern plant, and ideal conditions for manufacturing here, he will show a very attractive net profit per ton.

Mr. Overpack comes well recommended as a manufacturer of clay products and is quoted as being one of the most capable men in his line in the United States. His thirty years of successful experience will be a valuable asset to the Warrenton Clay Company.



PROPOSED PLANT OF WARRENTON CLAY COMPANY AT WARRENTON, OREGON